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Intersecretariat Working Group on National Accounts

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its fortieth session (see E/2009/24, chap I.A), the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on National Accounts. The report provides an update on the finalization of the *System of National Accounts, 2008* (2008 SNA) and its submission for publication. The report provides further information on the implementation strategy for the 2008 SNA and supporting statistics. The Commission is requested to express its views on the points for discussion set out in section V of the report.

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Report of the Intersecretariat Working Group on National Accounts

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I. Introduction

1. At its fortieth session, in 2009, the Statistical Commission:

(a) Adopted the *System of National Accounts, 2008*, volume 2, which, combined with volume 1, provides the international statistical standard for national accounts, and encouraged Member States and regional and subregional organizations to implement the standard and use it for the national and international reporting of national accounts statistics;

(b) Requested the secretariat and the members of the Intersecretariat Working Group on National Accounts to finalize the *System of National Accounts, 2008*, as described in the report to the Commission (E/CN.3/2009/8) and to proceed with the publication of the *System of National Accounts, 2008*, in all six official languages of the United Nations as rapidly as possible and to promote its wide dissemination, in a single volume, in print and online;

(c) Supported the proposed implementation strategy for the *System of National Accounts, 2008*, based on the principles of strategic planning, coordination, monitoring and reporting, and for improving statistical systems, and requested the Working Group to pay particular attention to improving basic economic statistics of countries and to the need for consistency and harmonization across sectoral statistics from other macroeconomic frameworks with the national accounts and to recognize the particular circumstances of countries by introducing flexibility in the implementation programme. It also emphasized the advocacy element of the implementation strategy to disseminate knowledge about the *System of National Accounts, 2008*;

(d) Recognized the importance of the role of the regional commissions and their advisory committees on the System of National Accounts to facilitate coordination and regional cooperation on the implementation programme, and welcomed the initiatives of the regional commissions and other development partners in collaborating on the implementation process of the System of National Accounts;

(e) Requested a coordinated effort by the Working Group on the development of manuals and innovative tools, such as standardized training material and knowledge bases, to provide easy access on a range of information, including best practices, to facilitate the implementation of the System of National Accounts;

(f) Requested the Working Group to report to the Commission at its forty-first session on progress with the implementation programme and the research agenda of the *System of National Accounts, 2008*, taking into account the views expressed by the Commission.

2. Section II of the present report provides information on the status of the finalization of the *System of National Accounts, 2008*, and its submission for publication and translation. Sections III and IV include progress reports on the global implementation strategy for the *System of National Accounts, 2008*, and on related training and research plans. Points for discussion are contained in section V.

II. Finalization of the *System of National Accounts, 2008*

A. Incorporation of final corrections and changes into volumes 1 and 2 as requested by the Commission

3. When, at its fortieth session, the Commission adopted volume 2 of the *System of National Accounts, 2008*, it had before it a background document entitled "Outcome of the global consultation on volume 2 of the 2008 SNA". The Working Group took up those issues characterized in paragraph 29 of the background document as clear errors, inconsistencies or clarifications beyond dispute, together with the requests made by the Commission during the discussion of the item at its fortieth session, in the final preparations for publication of the 2008 SNA. Immediately after the fortieth session of the Statistical Commission, the changes requested by the Commission were incorporated in the finalized version of volume 2 of the 2008 SNA and, where appropriate in the finalized version of volume 1. A note explaining the changes incorporated into the final version of the 2008 SNA has been posted on the SNA update website at http://unstats.un.org/unsd/sna1993/sui.asp.

B. Final review, completion and official editing of the 2008 SNA

4. A final review of the complete text of the chapters of the 2008 SNA was carried out by the Working Group. In the period from March to early May 2009, the Working Group conducted a series of reviews and checks of the text for consistency and correctness, during which a number of minor mistakes and typographical errors were corrected.

5. Meanwhile, the SNA Editor completed work on four annexes, the glossary and the index.

6. The finalized manuscript of volume 2 was submitted for official editing in May 2009. The editorial review was completed by the United Nations editorial services on 22 June 2009. Subsequently, minor corrections were made and several additional rounds of thorough checks of the text were carried out by the SNA Editor, the project manager and the Working Group.

7. In accordance with the decision of the Commission at its fortieth session, volume 1 and volume 2 were combined into a single book in the subsequent preparation for publication of the 2008 SNA.

C. Posting of the 2008 SNA online

8. The SNA update process was concluded on 4 September 2009. The final English text of the 2008 SNA has been posted electronically on the SNA website at http://unstats.un.org/unsd/nationalaccount/SNA2008.pdf. This marks the beginning of the official dissemination of the 2008 SNA and constitutes the starting point for the SNA implementation programme.

D. Preparation of the 2008 SNA for submission for publication

9. In July 2009, the foreword of the 2008 SNA was prepared for signing and circulated among the heads of the five joint publishing organizations. The foreword, by the Secretary-General of the United Nations and his co-signatories, calls on all countries to compile and report their national accounts on the basis of the 2008 SNA as soon as possible, providing impetus for all Member States to implement this important standard. At the time of the drafting of the present report, the English version of the 2008 SNA was in the final stage before submission for printing. The Commission will be provided with an update on the status of publication arrangements and expected deadlines.

E. Translation arrangements and progress

10. The Statistics Division of the Department of Economic and Social Affairs of the Secretariat succeeded in establishing partnership arrangements to facilitate the translation of the 2008 SNA from English into the other five official languages of the United Nations (Arabic, Chinese, French, Russian and Spanish) with the assistance of the Economic and Social Commission for Western Asia, the National Bureau of Statistics of China, Eurostat, the Economic Commission for Europe and the Economic Commission for Latin America and the Caribbean and involving, as necessary, other regional institutions. To ensure the quality of this set of technically demanding translations, the collaborative process will include a thorough review by experts in national accounts before delivery to the United Nations for finalization and publication. In addition, arrangements have been initiated for the translation of the 2008 SNA into Portuguese, Japanese and Korean, with the contributions of the National Statistical and Geographical Institute of Brazil, the Economic and Social Research Institute of Japan and the Central Bank of the Republic of Korea, respectively. The Statistics Division is ready to provide assistance to organizations that wish to publish the 2008 SNA in additional languages.

11. The translation work at the contributing partner organizations commenced during 2009. The process began with the translation of the glossary of the 2008 SNA so as to facilitate the translation of the rest of the text and ensure the application of uniform terminology. Several countries also expressed the need to have the text of annex 3, "Changes from the 1993 System of National Accounts", translated prior to the translation of the rest of the text. The contributing organizations were also asked, therefore, to complete the translation of annex 3 so that the translated text of both the glossary and annex 3 could be posted on the Statistics Division website before moving on to other parts of the text of the 2008 SNA. The progress of the collaborating organizations in completing the translation work will be reported to the Commission.

III. Implementation programme for the *System of National Accounts, 2008*, and supporting statistics

A. Overview of global implementation initiatives

12. At its fortieth session the Commission considered and supported the implementation strategy of the 2008 SNA proposed by the Working Group. The strategy takes as its starting point the different levels of implementation of the SNA and the base of structural and high-frequency source statistics in various countries. It acknowledges the need for coordinated action, not only at the international level but also at the regional and subregional levels. It assigned the regional commissions an important role in coordinating the assessment of the requirements for robust national economic statistics programmes and their implementation, in consultation with their regional and subregional development partners.

13. During 2009, the Working Group members and the regional commissions held numerous technical workshops and high-level consultations to familiarize national accounts experts, users and policymakers with the 2008 SNA and to discuss the implementation strategy adopted by the Commission.

14. The consultations identified three distinct stages in the implementation of the 2008 SNA and supporting statistics through a multi-year programme, irrespective of the level of statistical development, as follows:

(a) Stage I. Review of strategic framework and detailing of national and regional implementation programmes;

(b) Stage II. Adaptation of classification frameworks, business registers and frames, surveys, administrative data sources and information technology infrastructure;

(c) Stage III. Application of adapted frameworks and source data, backcasting and changeover to 2008 SNA.

15. Each country will determine the duration of the various stages of its statistical development according to the priorities identified. However, it is expected that from 2014 onwards, many Member States will change over to the 2008 SNA following a gradual two or three year transition for each stage.

16. Countries are expected to initiate national dialogues and consultations with policymakers and market participants to determine their user needs in terms of the scope of the 2008 SNA and the requirements for supporting structural and high-frequency statistics. Countries noted that the release of the 2008 SNA, the new round of the International Comparison Programme and the coordinated statistical initiatives in response to the global economic and financial crisis provides new impetus for the conduct of such national dialogues. Countries asked the members of the Working Group and the regional commissions to offer guidelines on the analytical use and policy application of the 2008 SNA and supporting statistics. A broad consensus emerged that modern, adequately resourced statistical systems would facilitate the tracing of economic cycles and their impact for the benefit of users.

17. After the national scope of the 2008 SNA has been determined, the detailing of national implementation programmes will allow countries to seek synergies and

partnerships based on common clusters of statistical capacity-building needs. Such clusters should be organized around the building blocks of the statistical production process, which consists of registers and frames, surveys and administrative source data, integration frameworks and dissemination, information technology infrastructure and the institutional environment.

B. Activities and plans of the regional commissions

18. The regional commissions have worked to familiarize the countries in their regions with the strategic framework for SNA implementation adopted by the Statistical Commission in 2009. Going forward, the emphasis should be to use national planning frameworks, such as the national strategies for development of statistics, to set the scope and details of the SNA implementation programme with the aim of changing over to the 2008 SNA soon after 2014. This approach will offer synergies and cost-effective interventions at the subregional, regional and global levels, while ensuring comparable structural and high-frequency statistics at the regional and global levels.

19. A common programme information structure would contribute significantly to cooperation among the stakeholders and the tracking of progress in extending the scope and detail of national accounts and supporting statistics. The SNA implementation milestones currently in use are still regarded as relevant to the monitoring of progress. The assessment should, however, be further augmented to inform what source data and technical assistance are needed to attain a particular milestone, instead of focusing only on the outcome. The common information structure consists of four elements, namely, the implementation milestones, the General Data Dissemination System, information on donor activities using the Economic Commission for Europe classification of statistical activities as used in the Partner Report on Support to Statistics (PRESS) of the Partnership in Statistics for Development in the Twenty-first Century (PARIS21) and the data quality assessment framework for information on quality improvement. Some of these existing systems may require some refinements for establishing and maintaining the information structure for SNA implementation needs.

20. The regional commissions fully support the need to make extensive use of modern and innovative tools among the modalities of the implementation strategy, such as the Knowledge Base on Economic Statistics — Methods and Country Practices, created and maintained as a global hub by the Statistics Division. The extensive global, regional and national training networks already in place need to be mobilized for the implementation programme. An inventory by statistical domain of existing training programmes, training materials and statistical documentation on methods and country practices will be incorporated into the knowledge base.

21. The regional commissions acknowledged that a regional coordination mechanism is important in order to ensure the success of the implementation programme. For this purpose, the commissions have established advisory groups on national accounts to advise them in formulating regional implementation programmes for the 2008 SNA and the supporting statistics. Some of those advisory groups have already prepared initial drafts of implementation programmes for their respective regions, which will be submitted to the regional statistical commissions for approval. More detail on those regional implementation plans can be found in

the background document entitled "Progress on the implementation programme for the 2008 SNA".

C. Activities and plans of the Working Group

22. During 2009, the members of the Working Group held a number of workshops and training courses to familiarize countries with the 2008 SNA and to discuss the implementation strategy adopted by the Commission.

23. The Working Group also made good progress in finalizing handbooks, such as those on measuring capital and intellectual property products. Countries have requested supplementary compilation guidelines for the various milestones, to which the members of the Working Group have responded favourably. Guidelines have also been requested for the different policy applications of the 2008 SNA and supporting statistics to assist in the user dialogue on the relevant scope of the 2008 SNA. Furthermore, the 2008 SNA research agenda on issues such as globalization and emission permits are being advanced through the preparation of guidelines. The activities and outputs of the Working Group are reported in the background document entitled "Progress on the implementation programme for the 2008 SNA".

24. The Statistics Division and Eurostat, in partnership with Statistics Canada and Statistics Netherlands, organized two international seminars during 2009 on the development of a framework for high-frequency statistics and a related analytical framework for early warning and business-cycle indicators. The international meetings led to a proposal to submit a multi-tier data template of high-frequency statistics, which was the subject of a global assessment in September and October 2009. A third international seminar is planned for fall 2010 to review progress. In 2010 the Working Group will consider how high-frequency statistics could fit in with the SNA implementation and supporting statistics programme.

IV. Coordination of training and research

A. Training and research

25. The Working Group recognized that it is essential to conduct such key elements as training and research in a coordinated way in the implementation of the SNA. In this regard, the Working Group agreed to ensure that a mechanism is put in place for providing standardized training material and to coordinate research and incorporate research results into the international standards or guidance handbooks.

26. The Working Group will pursue the development of standardized training material on the 2008 SNA and supporting classifications, statistical registers and basic economic statistics, but notes that such work is resource-intensive and that the material may take some time to produce. Such training material will be made available progressively through a dedicated knowledge base on training materials to be established jointly by the members of the Working Group. In consultation with the regional commissions and countries, efforts to translate such material into the official languages of the United Nations will be pursued.

27. To further coordinate the implementation of the results of work on the research agenda of the 2008 SNA into international standards or handbooks, research needs to be coordinated under the auspices of the Working Group. Proposals for task forces or expert groups to conduct research on specific topics should be submitted to the Working Group, which will assess the results in accordance with the update procedures for the SNA established by the Statistical Commission at its thirtieth session in 1999. If the outcome necessitates a change to the SNA, the Working Group will present it to the Commission for adoption.

B. Advisory Expert Group on National Accounts

28. To support its work, the Working Group proposes the continuation of the Advisory Expert Group on National Accounts. The aim of the Expert Group is to assist the Working Group in resolving issues on the research agenda of the 2008 SNA and emerging research issues and in reviewing of the implementation programme. The Expert Group and the Working Group will meet annually or as the need arises, in addition engaging in electronic consultations. The terms of reference and composition of the Advisory Expert Group will be adequately revised to reflect its purpose.

V. Points for discussion

29. **The Commission is requested to:**

(a) **Express its views on the publication and translation process of the 2008 SNA;**

(b) **Express support for and provide guidance on the implementation programme for the 2008 SNA and supporting statistics;**

(c) **Express support for and provide guidance on the mechanisms proposed by the Intersecretariat Working Group on National Accounts for coordinating training and research on national accounts;**

(d) **Express support for and provide guidance on the data template of high-frequency statistics and indicators.**